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## Company moves into global logistics realm

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Goodbye, cotton. Hello, planes, trains, ships and trucks. [Dunavant Enterprises Inc.](#), at one time the largest cotton merchandiser in the world, is moving into the next phase of its business life with plans to accomplish on the global logistics stage what it did in the cotton industry.

The Memphis-based company closed on the sale of its global cotton interest to [Allenberg Cotton Co.](#) and parent company Louis Dreyfus Corp. in April for an undisclosed sum.

Even before the sale was final the company had begun forming plans for its next act.

Dunavant Enterprises president and CEO **William B. Dunavant III**, the oldest son of William 'Billy' Dunavant, says moving 4.5 million to 6 million bales of cotton around the world to as many as 40 countries generated expertise in the business of knowing how to get products from here to there.

"We thought we were very good at logistics and cotton and we know we will be very good at logistics for other customers," says Dunavant.

Cotton and other commodities will be a big piece of the business along with energy, food, retail and some project cargo, Dunavant says.

The effort signals a new challenge for a company and family that enjoyed success in the cotton industry as well as real estate and development, sports and other business ventures.

In 2007, Dunavant hired **Richard McDuffie**, who has extensive experience in trucking and logistics with companies such as J.B. Hunt Transport Inc., [AutoZone Inc.](#) and [Williams-Sonoma Inc.](#), to head up its global logistics operation with an eye toward building what is known in the industry as a fourth-party logistics firm.

In 2008 it formed a partnership with Little Rock-based logistics consulting firm Global Concepts Inc. to help advise the company on the process of starting a 4PL.

Global Concepts has a domestic and international client list that includes Shell Oil, Halliburton, Riceland Foods and AutoZone, says president and CEO **Don Stuart**.

"I think it's a great transition," Stuart says. "And I suspect the Dunavants will gain a large market share real fast."

Under the Dunavant name, the logistics business will break down into four major divisions: global, distribution, freight and solutions or consulting, Stuart says, noting he is in talks to roll his company into Dunavant Enterprises to provide the consulting services.

The company will de-emphasize the Centrix brand, under which Dunavant's logistics operation had become known since 2007. Centrix will now be the brand for Dunavant's logistics process and technology, McDuffie says.

Dunavant moved into the logistics business with cotton in the 1960s, and in 1970 formed Central States Trucking Brokerage to facilitate moving cotton domestically. Central States was later renamed Centrix.

A historic deal in 1972 to sell the first U.S. cotton to Communist China took the company to an even bigger world stage for moving the product. By 1980 it was managing bulk and container exports for itself and in 1989 managing U.S. freight movements for itself.

At one point the company was spending nearly \$150 million annually on the logistics of moving cotton.

While that effort ended when the deal with Allenberg was finalized in April of this year, the company decided it couldn't just walk away from the experience and contacts it had developed globally, Dunavant says.

"We came through the Allenberg transaction the last year and a half and the Dunavants took a step back, took a breath and said, 'How do we want to brand this going forward?'" McDuffie says.

The company determined that the Dunavant name was too strong in major markets including Asia, South America and Africa — major cotton producers and users — to abandon it, he says.

"So we're in the process of branding our global 4PL as Dunavant Global Logistics Group," McDuffie says.

**Neely Mallory III**, president of [Mallory Alexander International Logistics](#), has been a customer and client of Dunavant through its Central States Trucking division.

The company has assembled the right talent with additions such as McDuffie, **Don Lake**, vice president of the global division, and **Steve Clark**, vice president of the freight division, and simply has a depth of contacts around the world nearly unequaled, Mallory says.

"I don't get worked up about competition," he says. "But there's a handful of good, ethical companies that do get my attention and I suspect Dunavant will be one in the latter category."

Currently about 50 of the company's remaining 65 full-time employees — down from a one-time high approaching 3,500 — are part of the logistics operation, Dunavant says, with new staff being added regularly.

Dunavant isn't willing to say yet how big the division will be or the level of expected revenue.

"Give me a year under our belt; then we'll talk numbers," he says.

The company is making plans to move from its long-time, roughly 100,000-square-foot headquarters at 3797 New Getwell to a smaller office, Dunavant says.

The move is expected to happen within the next 24 months, says **Billy Dunavant**, who is upbeat about the next phase for the company he inherited in 1961 following the death of his father.

Rather than being disappointed about the end of cotton merchandising, **Billy Dunavant** believes logistics brings a more stable future for the company.

"Logistics is just a natural part of cotton merchandising," he says. "It's a very competitive environment and we'll be very competitive with a logistics division. It's got a huge future."

Retired from the day-to-day operations of the business since 2005, the elder Dunavant says he doesn't wish to be a part of building a logistics business, although he obviously wants it to be successful.

"I don't know a thing about logistics, except what I did to move cotton," he says.

That said, does he think he could be just as successful in logistics as he was in cotton merchandising?

"I think I could," he says.

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